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## CONSTRUCTION OF APARTMENT BUILDINGS FOR BLUE-AND WHITE-COLLAR WORKERS IN YUGOSLAVIA

B. Radanovic

The Decree for Construction of Apartments for Blue- and White-Collar Workers recently issued by the Yugoslav government, aims to permit the construction of apartment buildings with comfortable, hygienically equipped, apartments to relieve the housing shortage created by the last war and the rapid industrialization of Yugoslavia.

The realization of this aim is being made possible by the state providing favorable conditions for procuring land, building materials, and credits, and also by the state assuming a part of the building cost.

Since the housing shortage is most acute in cities and workers' settlements, the decree provides for housing only for blue- and white-collar workers in cities and in industrial and other economic centers. It provides for the construction of housing for workers and their families, who live and work in places where they do not already own or partly own a home or an apartment. However, the decree authorizes the president of the federal Council for Construction Activities, the president of the federal Council for People's Health and Social Policy, and the federal Minister of Finance to decide whether other persons may benefit from this decree.

The decree provides that investors blue- and white-collar workers may construct apartments invividually or cooperatively, under their own management or through construction enterprises. The aim of the decree is to permit workers to construct housing only for themselves and their families. In cases of individual construction, the investor can build a house with one or two apartments for himself and his family. In the case of cooperative construction, the building may have many apartments but each investor can occupy only one

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apartment. The investor who constructs a building for himself and family becomes its owner, while investors who put up a building cooperatively can arrange that each owns a theoretical part of the building, or an apartment in the building. Investors can also organize a cooperative for the purpose of doing construction cooperatively. In such a case, the cooperative is the owner of the building and the members each receive one apartment for their permanent use. The right to use an apartment is transferable but requires agreement of the cooperative, except in cases of transfer because of inheritance, when such agreement is not required.

The decree calls for a building permit to be obtained before construction is begun. Such permits are issued by the srez or city people's councils in whose area the building is to be constructed. Applications for building permits must be accompanied by blueprints for the projected building, an estimate of costs, and justification for the application affirmed by the investor's trade union, a statement whether the investor has land available, and a description of the type and amount of resources he has available to make as his contribution. If convinced that an investor meets conditions called for by the decree, the people's council issues a building permit setting the date for beginning and completing construction, with the provision that construction will not take more than 2 years.

On the basis of this building permit, an investor can secure credit, material, and manpower needed for construction. He can also request assignment of land from the People's General Property Foundation if he does not have his own land. Assignment of land is made by the local, srez, or city people's councils concerned.

Such assigned land continues to remain the property of the Prople's General Property Foundation. The investor is given the right to use the land, free of charge, for an indefinite period of time, and to retain ownership rights to the building constructed on it. This right can be registered in the Register of Deeds. Transfer of the right to use land on which a building is located is made with transfer of ownership rights to the building on it. An investor loses the right to use land if he does not observe the deadline dates set for construction on it. The people's council revokes the building permit when an investor does not meet deadline dates, and the land is assigned to a different investor and a new building permit issued. The new investor is obliged to reimburse the previous investor for expenditures made in connection with construction.

Special regulations governing ownership of specific parts of buildings are still to be issued, and the federal Ministry of Justice still has to issue regulations on the method of recording ownership rights to buildings and apartments constructed within the provisions of this decree.

State investment banks or communal banks may grant long-term loans, based on a prescribed percentage of the estimated value of the building, not taking into account the value of the investor's land. To obtain such a loan, the investor must offer as security the land on which he intends to build; if he build on land assigned to him from the People's General Property Foundation, he must offer as security the building he intends to construct. To guarantee regular payments, he is obliged to give the bank priority to garnishee his wages if it becomes necessary. The bank has the right to demand payment in full of loans, if obligations are not fulfilled or if deadline dates for completion are not met. In such cases, foreclosure is effected by a court and the real estate put on public auction. The lowest acceptable bid for it is from one half to two thirds its estimated value, and may not be lower than the bank's claims upon it. The bank may accept the buyer at auction as a creditor for the amount of its claims, under conditions that were binding for the previous creditors.

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In case of voluntary sale, priority to buy is given to blue- and white-collar workers of the economic organization which employed the owner at the time he obtained his building permit. To prevent speculation in sale of buildings and apartments, the decree rules that their sale price cannot exceed their value at the moment of sale. Owners can dispose of buildings or apartments before they are completed, but all above-mentioned regulations, applying to sale of completed buildings and apartments, must be followed.

The decree allows broad tax exemptions in connection with construction, use, and transfer of buildings. Investors are exempted from paying taxes on applications, decisions, and other work in connection with construction and registration of ownership rights. They are exempt from paying taxes on products used for construction, regardless of whether or not such products were bought or produced by investors. They are exempt from taxes levied on transfers of buildings. The parents, children, and spouse of the investor, as well as other heirs or receivers of gifts of buildings, are exempt from taxes on inheritance and gifts. Buildings constructed according to the terms of this poses other than housing.

The decree also provides for transfer of existing buildings from the People's General Property Foundation to blue- and white-collar workers who can invest in them. A whole building may be transferred, if it has no more than two apartments; or individual apartments may be transferred if the building has more than two apartments. The building or the apartment becomes the property of the person to whom it is transferred, while the land on which it is located remains the property of the People's General Property Gefinite period. The transfer of ownership rights and assignment of land is ship rights, price, payment, and utilization are regulated by the federal Minister of Fibance.

The decree gives authorization of prescribed state agencies to issue detailed regulations for its execution, and to issue regulations regarding aid which the state gives to investors to defray construction costs.

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